## Cause of Action: "Court Must Hold Chicago Transit Accountable for Fraud"

CTA Seeking Dismissal Over Technicality To Avoid \$150 Million Fraud Allegation

**WASHINGTON –** The Chicago Transit Authority (CTA) engaged in a potentially years-long fraud, fleecing the American taxpayer, and is now pushing a federal court to follow the Justice Department's lead and look the other way rather than hold it accountable. Cause of Action (<u>CoA</u>), a government accountability organization that is pursuing False Claims Act litigation against the CTA, filed opposition papers today calling on the U.S. District Court for the Northern District of Illinois to rule against the CTA's motion to dismiss its claims.

"The Chicago Transit Authority potentially defrauded hard-working American taxpayers of up to \$150 million," said Cause of Action Executive Director Dan Epstein. "To date, no funding has been paid back and the CTA is hoping to avoid any accountability by having this case dismissed on a technicality. The court has an opportunity in this case to defer to how Congress intended accountability to work by allowing these claims to proceed past this threshold stage and get to the merits. Our hope is that the district court validates the role that the public can play in making government open and honest."

CTA has likely been overreporting estimated mileage to receive a higher amount of federal grant funding at least as far back as 1982. As a result, it has potentially obtained up to \$150 million at the expense of American taxpayers. After CoA reported this story to the government, the Department of Justice, led by Attorney General Eric Holder, declined to intervene in the case. CoA then filed the False Claims Act litigation to challenge CTA's possible fraud.

On March 13, 2014, the CTA moved for the dismissal of CoA's claims on a procedural technicality. The court will now decide whether to dismiss the case or elect to hold oral argument prior to deciding.

## About Cause of Action:

Cause of Action is a non-profit, nonpartisan government accountability organization that fights to protect economic opportunity when federal regulations, spending and cronyism threaten it. For more information, visit <u>www.causeofaction.org</u>.

To schedule an interview with Cause of Action's Executive Director Dan Epstein, contact Adam Temple, <u>temple@jdafrontline.com</u>